

**From:** Eliane Kabwa

**Date:** July 14, 2006

**To:** The Federal Trade Commission

**Subject:** Response to Trade Regulation Rule on Business Opportunities

I registered with Quixtar as an IBO in August of 2005.

Having worked in various industries (Import/export, Insurance Agencies, Language services, Accounting Firms), I have come to appreciate the unparalleled opportunities for financial freedom that this business offers. My goal is to reach the Platinum Level at which point I will retire from my job and build my business to the Emerald Level and then the Diamond Level from home while raising my 3 young daughters (all under 6 years old and needing at least one stay-home parent).

I consider it a blessing and a privilege to be associated with the IBOA and Quixtar because no other business opportunity that I explored offers an honest, fair, holistic approach to personal development, financial freedom and true mentorship. It is also the only opportunity that allows women to be full-time mothers, wives, CEO of their companies and valuable members of the community; because it is the only business that can help solve the equation of time and money (you can actually have both at last!!).

When I registered as an IBO; I was impressed with the integrity of not only the Quixtar Corporation, but the integrity of the support team (mentors). They were very clear that this was a simple business, but success wasn't easy. They made it clear to me that it would take focused effort and working together as a team. They made no promises or guarantees other than their mentorship and coaching at every stage of the way. They provided me with conservative figures about the income potential. This information is published by Quixtar as the average income for particular levels of achievement.

When I register IBOs, I interview them to find out if they have a reason (the motivation) to make commitments. Based on their goals and timeframe, I tell them what kind of commitment they will need to make to achieve those goals within that timeframe. I ask them if they are willing to make the commitment. If not, I suggest that they do not register as an IBO. The initial registration with Quixtar is approximately \$145 including the optional product registration pack; which most IBOs register with. If they decide to cancel their registration, Quixtar gives a full refund for up to 180 days.

I support the FTC's efforts to develop a set of rules that will eliminate bogus business opportunities. Scams can definitely give legitimate business opportunities a "black" eye. However, I am very concerned about the proposed FTC rules. People are very busy and this is an ever-increasing complex world. I do not believe that adding more bureaucracy is the solution to the problem. Quixtar already provides: The SA4400 Independent Business

Ownership Plan, The Agreement To Arbitrate, The Business Support Materials Arbitration Agreement (BSMAA), and the 180 day 100% Satisfaction Guarantee. I believe that Quixtar's disclosures would be a good model for the industry to follow. I

have so far had 1 IBO cancel their IBO number and request refunds and she was very satisfied with the cancellation and return policy.

I believe that people need to take personal responsibility for their decisions. More bureaucracy, such as the proposed FTC rules, is not a viable solution to the problems posed by unethical business practices. I cannot imagine going into an interview with a large corporation and them disclosing all of their lawsuits. And I cannot imagine them disclosing the wages of all of the managers and non-exempt employees.

The majority of the people that become IBOs, come from the employee or self-employed sectors of society. They are not entrepreneurs and do not understand the principles of success. New IBOs typically become discouraged initially because they do not understand that business is a numbers game. Even though they are told that it takes delayed gratification and work with little income, before results are achieved, their expectation is that they should make money quickly with little effort (get rich quick, lottery mentality). I find that some people are looking for a quick fix to problems that they took years to create. When they find that this industry is not a quick fix, they cease to exert any effort then blame the business model for their failure.

I believe that the proposed FTC rules would seriously inhibit the growth of my business and impose unnecessary additional business expenses on me. If the 7 day waiting period were implemented it would take five to ten times longer to build my business team. It would require me to travel to do additional follow through visits just to help the new IBO start up their business. I am located in Jersey City and have businesses in Pennsylvania, South New Jersey, and New York. I see no additional benefit to the prospective IBO.

The requirement to provide 10 references to prospective IBOs infringes on my privacy and the privacy of other IBOs. I don't have the time to take phone calls from potential IBOs, who will be of no financial benefit to me, to answer questions, and neither do other IBOs who are working hard to build their business teams. I don't want my name, address and phone numbers given out to people I don't know. Additionally, there is a risk that the prospective IBO may register with another IBO that was provided as a reference. If I have already invested time in the prospective IBO, this would create an unfair advantage for another IBO. Prospective IBOs have the opportunity to meet the "Team" at follow through meetings, Open Meetings and Business Development Seminars prior to registering as an IBO.

There is already enough "junk" on the Internet about lawsuits, etc. Show me a corporation that isn't or hasn't been involved in lawsuits, etc.

The rule about income disclosures is unnecessary. Quixtar already provides statistics on the average incomes for the various achievement levels that can be attained.

The rule requiring providing personal financial documents is a violation of my privacy. Income in this industry depends on personal initiative and responsibility. It has nothing to do with the "length of service" an IBO has. Being a relatively new IBO, this rule puts me at a great disadvantage because I don't make very much money to begin with.

I believe that the FTC, the DSA, IBOAI and Quixtar can devise a set of rules that are simple, fair and common sense that can both benefit the Independent Business Owners and prospective Business Owners alike, while eliminating crippling bureaucracy. I urge

you to seriously consider the inputs from all of the IBOs. In my experience, the majority of people in this industry are trustworthy passionate people with a great sense of integrity and principles. We can't let the minority dictate the rules. If we create a bunch of rules that create a bureaucracy for the honest business owners, only the get rich quick artists will devise ways to get around the rules.

America has a worldwide reputation of being the Golden Standard for Democracy and a Stellar Example of Free Enterprise. Most of us, legal immigrants, came to this country pursuing the unequal opportunities afforded by the Free Enterprise Model. So please keep the government a truly democratic one; one that is for the people and by the people. More bureaucracy is not the solution to the problem. Common sense solutions from those who are in the trenches are the way to solve this problem.

Sincerely,  
Eliane Kabwa  
Independent Business Owner